

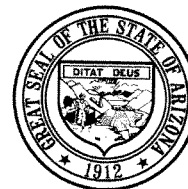
ARIZONA DEPARTMENT OF WATER RESOURCES

Office of Assured and Adequate Water Supply

3550 North Central Avenue, Phoenix, Arizona 85012

Telephone 602 771-8500

Fax 602 771-8689



Janet Napolitano
Governor

Herbert R. Guenther
Director

March 14, 2007

Mr. Roy Tanney
Arizona Department of Real Estate
2910 N. 44th Street
Phoenix, Arizona 85018

Water Report #53-500020.0000

Subdivision Name: Lake Mead Ranchos Unit 4

Owner: 3J Ranches L.P., a California limited partnership and First American Title Insurance Agency of Mohave, Inc., an Arizona Corporation, as Trustee under Trust No. 9081

Number of lots: 491

County: Mohave

Township 28 North, Range 18 West, Section 01
Lots 3143, 3147, 3148, Lots 3150 thru 3186, inclusive,
Lots 3201 thru 3323, inclusive, Lots 3327 thru 3508,
Inclusive, Lots 3517 and 3518, Lots 3521 thru 3585,
Inclusive, Lots 3587 thru 3602, inclusive, Lots 3612 thru
3637, inclusive, Lots 3642 thru 3672, inclusive, and lots
3678 thru 3684, inclusive, of Lake Mead Ranchos Unit 4.

Water provided by: Dry lot, individual wells

Water Type: Groundwater

Current water depth: No Information Provided

Estimated 100-year depth: No Information Provided

Current decline rate: No Information Provided

Basin: Hualapai Valley

Dear Mr. Tanney:

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, water quality, and financial capability. No information has been provided to the Department that indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-701 *et seq.* Therefore, the Department of Water Resources finds the water supply to be inadequate to meet the subdivision's projected needs.

Pursuant to A.R.S. §32-2181(F) a summary of the Department's report for those with an inadequate water supply be included in all promotional material and contracts for sale of lots in the subdivisions. We suggest the following synopsis:

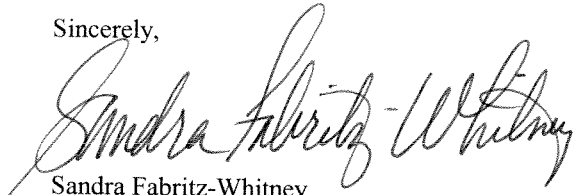
"Lake Mead Ranchos Unit 4 subdivision is being served groundwater by individual wells. The developer has chosen not to demonstrate a 100-year adequate water supply. The applicant has not demonstrated that the criteria for physical, legal and continuous availability, water quality, and financial capability. Therefore the Department must find the water supply to be inadequate. For additional information please contact Rosemary Lopez, of the Office of Assured and Adequate Water Supply at (602) 771-8585."

The developer, pursuant to A.R.S. §32-2181(F), may suggest a different summary of this report, but it must contain the above elements and/or the Department's findings.

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March 15, 2007
Water Report
Lake Mead Ranchos Unit 4 subdivision

This letter is being forwarded to your office as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Mohave County Recorder is being officially notified of the developer's compliance with the law.

Sincerely,

A handwritten signature in black ink, reading "Sandra Fabritz-Whitney". The signature is fluid and cursive, with the first name "Sandra" being the most prominent.

Sandra Fabritz-Whitney
Assistant Director
Water Management Division

cc: Mohave County Planning and Zoning
Mohave County Recorder
Ronald S. Freeman
Rosemary Lopez, Office of Assured and Adequate Water Supply